



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-2(c)**

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In Re:

BAYONNE MEDICAL CENTER,

Debtor.

Chapter 11

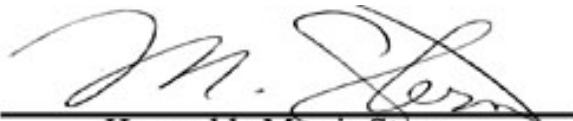
Case No. 07-15195 (MS)

**STIPULATION AND CONSENT ORDER GRANTING DONNA SCOTT
CONDITIONAL RELIEF FROM THE AUTOMATIC STAY**

The relief set forth on the following pages, numbered two (2) through five (5) is hereby
ORDERED.

Dated: **DATED: 5/29/2008**, 2008

UN


Honorable Morris Stern
United States Bankruptcy Judge

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Debtor: BAYONNE MEDICAL CENTER
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THE MATTER having been brought before the Court on Motion of Clara R. Smit, Esquire, attorney for Donna Scott ("Scott"), a potential creditor of Bayonne Medical Center (the "Debtor"), for an Order modifying the automatic stay to allow Scott to proceed towards final judgment or settlement in the state court discrimination action entitled *Scott v. Bayonne Medical Center*, bearing docket number HUD-L-1441-06, filed against the Debtor in the Superior Court of New Jersey, Law Division, Hudson County ("State Court Action"); and both the Debtor, represented by Connell Foley, LLP, and Scott having agreed to resolve this matter by the terms of this stipulation and consent order (the "Consent Order"); and for good cause appearing,

IT IS SO ORDERED THAT:

1. The automatic stay is hereby modified to allow Scott the limited relief of proceeding towards final judgment or settlement of claims against the Debtor in the State Court Action.
2. The automatic stay will be reimposed as to any action against the Debtor and/or its insurance policies related to the State Court Action if and when the defense costs and fees incurred by or on behalf of the Debtor in the State Court Action reach \$100,000.00. The Debtor shall advise Scott when the State Court Action defense costs and fees reaches 75% of this figure (\$75,000.00).

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3. Notwithstanding the limited relief to proceed towards final judgment or settlement granted by this Consent Order, further relief from the automatic stay from the Court will be required to collect upon any judgment or enforce any settlement. In the event of a settlement, the motion to approve settlement shall be filed by the Debtor within a reasonable period of time following receipt of written advisement of settlement from Scott. Nothing shall preclude Scott from filing the motion to approve settlement herself. In the event of a judgment against the Debtor in the State Court Action, Scott will be required to seek relief from the automatic stay prior to taking any action to enforce or collect upon its judgment.

4. In connection with this modification of the automatic stay, Scott's recovery against the Debtor shall be limited to the extent of available insurance coverage. Scott waives any right to participate with other unsecured creditors in the distribution process in the bankruptcy case.

5. Nothing within this Consent Order shall be deemed a waiver of any legal or equitable defense available to the Debtor in the State Court Action.

6. Facsimile or scanned copies of signatures on this Consent Order are acceptable, and a facsimile or scanned copy of a signature on this Consent Order is deemed an original.

7. This Consent Order may be executed in counterparts, each of which is deemed an original, but when taken together constitute one and the same document.

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8. This Consent Order is subject to the approval of the Bankruptcy Court. This Consent Order shall not be binding upon the parties until the Bankruptcy Court approves this Consent Order.

9. Scott will serve this Consent Order upon the Debtor, U.S. Trustee, the Attorneys for the Official Committee of Unsecured Creditors and any other party that has made an appearance on this motion within seven (7) days of docketing of this Consent Order.

[continued on following page]

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We, the undersigned, on behalf of our respective clients, consent to entry of this Consent Order.

CLARA R. SMIT, ESQ.
Attorney for Donna Scott

CONNELL FOLEY LLP
Attorneys for Debtor, Bayonne Medical
Center

By: /s/ Clara R. Smit
Clara R. Smit

By: /s/ Philip W. Allogramento III
Philip W. Allogramento III (PA7796)

SILLS, CUMMIS & GROSS, P.C.
Attorneys for the Official Committee of
Unsecured Creditors

By: /s/ Valerie A. Hamilton
Valerie A. Hamilton